

COPY TRADING

THE ULTIMATE GUIDE
INTO SOCIAL INVESTMENT
NETWORKS

Buy

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FOREX24

The foreign exchange e-book shelf



INTRO

If you have opened this e-book, you must have thought about investing in Forex or stock markets. Perhaps you have already started to learn the basics but are not yet sure about your potential? Or you have more questions than answers about the forex market? You are not sure if you will be able to make any profit? If you answer "Yes" to any of these questions then we can help you. **After reading this e-book you will have the confidence to start trading in the foreign exchange market** and harness the wisdom of the crowd to make smarter investment decisions.

The best thing with the technique described in this e-book is that you don't need to be an expert to invest like a top performer. This e-book will give you not only an insight into the Social Investment Networks but also provide detailed instructions and tips on how to successfully and more safely copy top performers. The choice of the right traders to follow and copy is crucial and we will guide you through the steps of building your private social portfolio to diversify your investments.

Team FOREX24

CHOOSING THE RIGHT SOCIAL TRADING NETWORK

Currently there are half a dozen social trading networks which let you follow and copy traders or their trading signals. It is easy to get confused and hard to choose the best one without an overview. In the table below we compare the options and found one of the 5 most popular ones.

Social Trading Network	Quora	ZuluTrade	Connect	Myfxbook	Tradingsy
Supported Brokers	Their own broker	Their own broker + 50 others	~10	Their own brokers	~40
Trading Instruments	QuoraStocks iFapple iGoogle iFacebook iFX i Forex and metals iOil and other commodities	QuoraStocks iFfacebook iMetals	QuoraStocks iFX	QuoraStocks iCommodities iIndices and iBonds	QuoraStocks
Minimum Investment	\$50	\$500	\$1000	\$100	\$1000
Trading costs	Only spread (from 2 pips)	Spread + Commission depending on the broker	Spread (depending on the broker)	Only spread (from 2 pips)	Spread + 0.2 pip commission (depending on the broker)
Maintenance fees	No	No	5% from the invested capital + 30% from annual profit	No	No
Average earned (EUR/USD)	3 pips	3.5 pips	3.5 pips	3 pips	3 pips
Number of experienced traders which can be copied	>10 000	>10 000	~ 20	>500	>100

Smart Trading Network	eToro	ZuluTrade	Currents	Avanto	Tradency
Possibility to view Traders statistics history	Last 150 trades	All	All	All	All
View Traders trades	Yes	Yes	No	Yes	Yes
Maximum amount of Traders that can be copied	20	Unlimited	Unlimited No Investment amount	3	Unlimited
Demo account	Yes	Yes	No	Yes	Yes
Mobile applications	Android, iPhone and BlackBerry	iPad, iPhone and Android	none	none	none
Support	Telephone, e-mail, online chat	Telephone, e-mail, online chat	Telephone, e-mail, online chat	Telephone, e-mail	E-mail
Private	Yes	Yes	No	No	No

At the moment there are two definitive leaders: eToro and ZuluTrade. Both of them are free of charge and host huge base of users measured in millions. The main difference are that eToro have the in-house proprietary platform/trading 1 to one shop, but ZuluTrade acts as a bridge letting traders connect through different forex brokers. If you have a broker to which you are used to then ZuluTrade can be a good option, but if not then there are some drawbacks – synchronizing trades across multiple brokers inevitably leads to trade execution delays (slippage). The strong suit of ZuluTrade is their signal provider filtering system which is more advanced than the one of eToro. ZuluTrade also offers a slightly more detailed and sophisticated trader statistics, but the problem is that most of the signal providers are anonymous whereas eToro has recently launched rules that require the top traders to provide their real names. This is a great step towards more transparency and trust.



Further in the e-book we will focus on eToro as it is the most popular one having more than 3 million users across 80+ countries.

Q&A The best way to choose is by testing yourself and trying the demo accounts – [open a 100K demo account here](#) or [ZuluTrade demo account here](#).

YOU DON'T NEED TO BE AN EXPERT TO INVEST LIKE A TOP PERFORMER!

If you are not yet familiar with the "copy trading" you might think that before opening an account and starting trading you necessarily have to master lots of different theory and complex strategies. Learning them of course is always useful, but it takes a lot of time, the time which you could be using on building your trader portfolio and letting them work for you.



By using the Copy Trading you can start without deep economical know-how and you can do it already today! After reading this e-book you will be closer to your potential profits.

What is Copy Trading?

With Social Trading you can make experienced traders work for you and teach you. And this knowledge is for free as it is a win-win model both for the copiers and the copied traders / signal providers.

etoro Openbook is used both by beginners and experienced traders who share their strategies. This is very useful for beginners and people who don't want to spend all day in front of complex charts and financial news reports. Social investment networks join thousands and millions of traders in a friendly environment where anyone can tap into the wisdom of crowd. Best strategies are no longer kept secret but shared as the guru traders get paid more commissions by the amount of followers and copiers they have or by the amount of copied deals. Followers can see detailed performance statistics of the selected traders, ask them questions, read their decisions and posts.

With a click of a button one can copy individual or all trades of a preferred trader. The positions are opened proportionally meaning that if the guru trader opens a position of 1000 \$ which constitutes 5% of their account, the copier will also enter with 5% of his smaller account thus greatly minimizing exposure to risk.



TOP PERFORMER
FOLLOWERS: 100,000



Remember that if you do not want to risk with real money in the beginning you can open an [offshore demo account here](#). All the trades happen in real time, but you are using virtual money. This allows you to get familiar with the environment, try out following and copying different traders and also ask them questions.

When you are ready to trade with real money you can start trading with \$50, but it is recommended to start with at least \$100 - \$200, as it allows you to open a position of 1 lot with a leverage of 1:100 thus not exposing yourself to bigger risk of higher leverage.

Deposit for example \$200, but you will be able to allocate not more than 20% to a single trader - this is a rule for the security of copiers. Thus you will not put all your eggs in a single basket and will be encouraged to diversify your portfolio. So try to choose traders with different risk appetites and different trading currencies (stocks or commodities).

oForex's [spreadbook](#) allows you to see all the top performing traders, go through their trades, portfolios and strategies.

How does the trader copying work?

Once you have Copied a Trader, click the Trading button in the top menu. Once the trader you've copied opens a new trade, you'll see it instantly in your account!



And the best part is that the trades will be opened in the same proportional amount. Your trade will be copied as an exact proportion of his (much of a percentage of the trader's account was stated). There is no minimum lot or unit size as fractional units are especially enabled for the purpose of CopyTrader.

Unlike typical signaling systems where trades are always executed in pre-defined amounts, oForex lets you choose the proportions. Therefore your orders will mimic, not only the trading activity but the proportions of each and every trade as part of a portfolio.

Don't be surprised to find trades opened for small or unexpected amounts. CopyTrader is simply proportionally replicating the activity of the Copied investor.

oForex also has a new risk management feature called Copy Stop-Loss (CSL) which is essentially an automated risk control system that will allow you to set controls for the entire copy relationship - as a dollar value. So if a trade goes bad the CSL will trigger and terminate the copy relationship.

To better understand the system lets look at an illustrated example:

Your deposited capital is \$25k and you have found a trader who you want to copy. You choose to copy him with 10% of your capital which is \$25k. So if your copied trader with an account of \$1000 opens a position with \$2000 (20% of their capital) then your stake in it is **will be 10% of your capital (10% of 25k) = \$2500**. If the trade is successful and the trader earns +10% ($2000 \times 10\% = 200$) you will also earn 10% ($2500 \times 10\% = 250$).

Losses also work in the same proportional manner— if the copied trader loses 10% of the trade, your stake loses 10% of your funds.



Next Step >

13 Tips how to find the Best Traders in Etoro Openbook

Etoro openbook is a Social investment network with more than 5 million users: so how to find the best traders to follow and copy? The TOP 100 ranking is not always a secure option and there are reasons you have to know to find a truly successful and trustworthy trader. Not all top ranked traders are completely safe just because they have big number of followers. Some of them have found ways to boost their ratings with questionable actions. So here are 10 rules to filter out the best and select traders to copy.



1. Be careful with numbers that look too good, especially with the TOP 10 traders.

The TOP100 rankings list in the platform does not always guarantee 100% safety in finding secure traders and there are reasons you must know to find a trustful trader. A big follower amount is also not a sure sign of quality so there are traders who find a way to artificially improve their statistics. Also a high gain rate by itself is not an indicator of long-term success, and you should also check the "Profitable weeks" indicator which shows how the trader is doing in longer term.

"Profitable weeks" indicator which shows how the trader is doing in longer term



Ready to give it a try? Please

Join

The higher the Profitable weeks percent the more sustainable have the traders profits been

Keep in mind that good traders can be found also outside the TOP 100 list

Popular Traders	Avatar	Name	Followers	Win Rate	Max Drawdown	Profit Factor	Sharpe Ratio
Best Trade Today	[Avatar]	Trader1	100	55%	10.2%	1.2	1.5
Best Trade	[Avatar]	Trader2	80	60%	15.5%	1.5	1.8
Best Trade	[Avatar]	Trader3	70	65%	20%	1.8	2.0
Best Trade	[Avatar]	Trader4	60	70%	25%	2.0	2.2
Best Trade	[Avatar]	Trader5	50	75%	30%	2.2	2.5
Best Trade	[Avatar]	Trader6	40	80%	35%	2.5	2.8
Best Trade	[Avatar]	Trader7	30	85%	40%	2.8	3.0
Best Trade	[Avatar]	Trader8	20	90%	45%	3.0	3.2
Best Trade	[Avatar]	Trader9	10	95%	50%	3.2	3.5

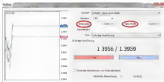
In the section "Popular" you can filter the traders list with advanced filtering to suit your risk appetite and style

2. **Watch out from Scaled out traders!** Some traders don't close their losing trades as they would damage the profit statistics. So they simply exceed the Stop Loss. You can look for that in their Portfolio tab – there is a small date under the positions – if there are several losing positions with old dates that are still open with large stops – it's not a good sign



Ready to give it a try? Press [here](#)

3. **Keep away from traders who do not use Stop Loss at all!** It's a might be an indicator that they have forgotten the basic principles of risk control



4. **Avoid "young accounts!"** – if you want your investments to be safe you should copy experienced traders (Control at least 1 year experience). There are traders in the top with good results but who have very little experience signaling that their success might just be temporary luck



5. Look for traders who actively participate in discussions, get feedback and interact about their strategies, results and also comment on the losses if such occur. Make sure to use this opportunity and do communicate with your favorite traders – they can teach you a lot!

Here you can see that this trader is moderately active in discussions with 3 conversations. If there are no conversations it is not a good sign. Discussions you can find under Overview



6. Set your Stop Loss level. Unless you are familiar with and sure about the trader – set your own Stop Loss level to prevent slipping on scammed out traders



"Stop Loss" and "Take profit" can be set in your profile under "Open trades"

6. **Look for consequences and stable growth without sharp drops** - Compare the gains charts. Observe the profit and loss rates - the smaller the gaps, the better. The gains should be steady - it means that the trader sees the big picture and understands both fundamental and technical analysis.

User		Reports	Monthly Drawdown	Daily Profit/Loss	Profitable Trades	Gain (%)	
    	1.6k total drawings	1	18.8%	3.8%	88.8%	5.52%	
	1k total drawings	1	4.4%	14.2%	88.7%	11.4%	
	1.6k total drawings	2	7.8%	2.4%	89.8%	7.88%	
	1.1k	2	8.8%	8.8%	88.2%	4.82%	
	1.6k total drawings	2	4.8%	4.4%	91.7%	7.22%	

Steady gains and small gaps = more stability

Sharp increases are = unstable trader

7. **Look for steady gains in individual leader's streaks** The smaller the volatility of the line the better. This will show that the leader is stable consequently a top approach.



As we can see the gains of this trader are not very steady over the previous year. He has been successful during the last year but in a year's perspective he has lost 54.8%. Of course fluctuations are normal aspect and there are no traders who can constantly keep winning.

8. **Enrich the time limits of exercises** By default the time limit is 5 minutes. The student thinking or reading must wait in class for solutions also for 12 minutes (instead).



Abstract: The purpose of this study was to determine the effect of a 12-week, low-intensity, low-impact, and low-impact aerobically fit individuals. The study was conducted in a laboratory setting. The subjects were 12 females, aged 20-30, who were randomly assigned to two groups: a control group and an experimental group. The control group performed a 12-week, low-intensity, low-impact, and low-impact aerobically fit individuals. The experimental group performed a 12-week, low-intensity, low-impact, and low-impact aerobically fit individuals. The results of the study showed that the experimental group had a significantly higher heart rate and oxygen consumption than the control group. The results also showed that the experimental group had a significantly higher heart rate and oxygen consumption than the control group. The results of the study showed that the experimental group had a significantly higher heart rate and oxygen consumption than the control group. The results of the study showed that the experimental group had a significantly higher heart rate and oxygen consumption than the control group.



Which trading style is suitable for you and how to minimize risk?

Most traders consider themselves members of one of two major categories: **technical traders** and **fundamental traders**. Experienced traders think of the technical and fundamental aspects of forex as intertwined. In other words, what you see on the chart (technicals) didn't just appear by chance—it is there for a reason (fundamental). One type of analysis without another gives limited perspectives and opens windows for unfortunate risks. So one of the goals when looking for a trader is to find one who takes both these analyses into account.

Fundamental traders use fundamental analysis, which we can loosely describe as the study of economics (especially interest rates) to trade the Forex market. They believe that currencies will eventually become stronger or weaker in response to their underlying economic strength or weakness, and due to changes in interest rates and monetary policy.



In the chart we can see a potential situation when a fundamental trader does not take the maximum profit out of a trade. He had difficulties knowing the last time for closing the trade and closed it when it was not on the highest point. That's where technical analysis can help as it can predict the price movement patterns even in small timeframes.

Technical traders focus on technical analysis, which is the study of charts (historical price action) and relations to trade later. They believe that all of the pertinent information needed to place a trade is contained within the chart. The greater size and liquidity of the foreign market gives technical analysts a larger sample of information from which to draw. There are many more trades, and much more rapidly changing trends than in any stock market or futures market. The currency market contains more data points, making it statistical sampling like technical analysis more accurate. Long term movements in the currency market generally correlate with economic cycles. These economic cycles lead to repeat themselves, and so they can be predicted with a reasonable degree of accuracy. Regression is the key, since the main premise of technical analysis here is using historical price movement to predict future price movement.



the when to open and close trades? Forex traders use support and resistance levels to determine the best location for entry and stop-orders



If the trader goes long (buying a currency with a hope that its will rise) on a currency then he tries to open the position on support (lowest rise) and close the position on resistance (highest point). Different pattern recognition systems (Fibonacci patterns, moving averages, etc.) used in technical analysis help to determine what the price will hit resistance or support levels. But if a trader solely relies on technical tools and does not take into global politico-economic events (fundamental analysis) then he might fail despite all the calculations. So, whether you are trading on your own or simply following and copying a trader's orders, also that both of these analysis types are considered.

So you have learned the basics about copy trading in order to be able to start successful trading. Now you have to apply and test your knowledge in real life.

[Try demo account](#)

[Start copying](#)

It's possible to get 20% gift and bonus to your initial capital now -> [check out](#)!

Don't forget that you can peek into this e-book anytime while trading and that most of the traders are open for discussion and to reply to your questions!

THE END

We hope this e-book gave you some new insights and understanding about the Forex trading and Social Investment Networks

Thanks and good luck in trading

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